Binghamton, NY - Congressman Maurice Hinchey (D-NY) today outlined the details of the Wall Street reform bill he voted to pass in the House last week and highlighted how New Yorkers will benefit from the bill's many consumer protections. The Wall Street Reform and Consumer Protection Act ends taxpayer bailouts of big banks, and creates a consumer financial protection bureau that finally puts consumers first.

"The Wall Street reform legislation I voted to pass last week reins in the out-of-control behavior on Wall Street and institutes new protections for families and small businesses that have for far too long been taken advantage of by the very banks they were being forced to bail out," said Hinchey. "The Wall Street Reform and Consumer Protection Act combines tough new rules with even tougher enforcement and oversight to end abusive lending practices, shut down too big to fail financial firms, stop costly taxpayer bailouts and rein in egregious executive pay."

The legislation will help prevent the risky financial practices that led to the financial meltdown and stop large financial firms from gambling with Americans' retirement, college savings and home values. In addition, taxpayers will no longer pay the price for Wall Street's irresponsibility. The bill creates a process to shut down large, failing firms whose collapse would put the entire economy at risk. After exhausting all of the company's assets, additional costs would be covered by a "dissolution fund," to which all large financial firms would contribute.

To protect families and small businesses, the bill creates the Consumer Financial Protection Bureau (CFPB), a new consumer watchdog devoted to protecting Americans from unfair and abusive financial practices. This independent bureau will provide clear and accurate information to families and small businesses to ensure that bank loans, mortgages, and credit cards are fair and affordable. The CFPB will set safety standards to prevent practices such as hidden credit card fees, deceptive "fine print," and other financial abuses that have escaped oversight so far.

The legislation also ends the TARP bailout fund, which Hinchey opposed in 2008 and reinstates basic rules of the road for large financial institutions that were left to run wild after the late 1990s financial market deregulation, which Hinchey also strongly opposed.

"Despite my strong opposition, many of the rules that shielded New Yorkers from excessive risk taking on Wall Street were eliminated in the late 1990s," said Hinchey. "With the largest financial collapse since the Great Depression and nearly 8 million jobs lost, we now know just how big a mistake that was. While this bill could have and should have been a lot stronger, it still represents a major step forward in the effort to place Main Street's priorities and values before Wall Street's recklessness and greed. It will help prevent a future collapse and ensure that taxpayers are never again forced to pay for the mistakes of big banks."

The bill has been called the “strongest set of Wall Street reforms in three generations” by Elizabeth Warren, Chair of the nonpartisan Congressional Oversight Panel, and has been endorsed by the AARP, Consumer Federation of America, Consumers Union, Council of Institutional Investors, National Fair Housing Alliance, National Restaurant Association, Public Citizen, SEIU, and US PIRG, among other organizations. The bill was publicly debated for more than 50 hours, and includes over 70 Republican and bipartisan amendments.

Hinchey is the author of two bills that would have provided for even tougher oversight and regulation of the banking industry. In an effort to restore commonsense and important safeguards to the financial sector, last year he introduced a bill that would reinstate the Banking Act of 1933, better known as the Glass-Steagall Act, which separated investment banking from commercial banking. Hinchey is also the author of the Too Big to Fail, Too Big to Exist Act, which would require the Secretary of the Treasury to dismantle any U.S. financial institution deemed to be so big that its potential collapse would undermine the entire U.S. economy.

Hinchey also helped pass the Credit Cardholders' Bill of Rights to protect New Yorkers from unfair rate increases, excessive fees, due date gimmicks and misleading terminology. He also authored a bill to cap credit card interests rates at 18 percent.